

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

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W-02111A
SABROSA WATER COMPANY
A SUBSIDIARY OF CITIZENS COMMUNICATIONS CO.
1250 POYDRAS STREET, SUITE 2300
NEW ORLEANS, LA 70113

ANNUAL REPORT

7-11-03 CEM

FOR YEAR ENDING

12	31	2002
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FOR COMMISSION USE

ANN04	02
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Processed by:

SCANNED

COMPANY INFORMATION

Company Name (Business Name) Sabrosa Water Company, a Subsidiary of Citizens Communications Company		
Mailing Address 1250 Poydras Street, Suite 2300		
New Orleans	LA	70113
(City)	(State)	(Zip)
504-299-4553	504-544-5818	
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address jecuyer@czn.com		
Local Office Mailing Address 15626 N. Del Webb Blvd		
Sun City	AZ	85351-1602
(City)	(State)	(Zip)
623-815-3124	623-933-0032	
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)
Email Address Rjones@amwater.com		

MANAGEMENT INFORMATION

Management Contact: Jayson T. Ecuyer		Director of Finance	
(Name)		(Title)	
1250 Poydras Street, Suite 2300	New Orleans	LA	70113
(Street)	(City)	(State)	(Zip)
504-299-4553	504-544-5818		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address jecuyer@czn.com			
On Site Manager: Ray Jones			
(Name)			
15626 N. Del Webb Blvd	Sun City	AZ	85351-1602
(Street)	(City)	(State)	(Zip)
623-815-3124	623-933-0032		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address Rjones@amwater.com			

Statutory Agent: United States Corporation Commission

(Name)

1200 W. Washington Street

(Street)

Phoenix

(City)

AZ

(State)

85007-2996

(Zip)

602-249-2550

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: L. Russell Mitten

(Name)

3 High Ridge Park

(Street)

Stamford

(City)

CT

(State)

06905-1390

(Zip)

203-614-5047

Telephone No. (Include Area Code)

206-614-4651

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) Sabrosa is not owned by, nor a subsidiary of, Citizens Communications Co.

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☒ MARICOPA

☐ MOHAVE

☐ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME—SABROSA WATER COMPANY

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	10,159	48	10,111
307	Wells and Springs			
311	Pumping Equipment	9,969	104	9,865
320	Water Treatment Equipment	1,818	18	1,800
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	21,946	170	21,776

This amount goes on the Balance Sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization			
302	Franchises			
303	Land and Land Rights			
304	Structures and Improvements	10,159	1.94	7
307	Wells and Springs			
311	Pumping Equipment	9,969	4.24	16
320	Water Treatment Equipment	1,818	4.00	3
330	Distribution Reservoirs and Standpipes			
331	Transmission and Distribution Mains			
333	Services			
334	Meters and Meter Installations			
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	21,946		26*

This amount goes on Comparative Statement of Income and Expense Acct. No. 403.

*Note: Actual depreciation shown may not equal original cost times depreciation rates due to only 14 days of depreciation taken in 2002. Company was sold to American Water Co. on 1/15/02.

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$	\$
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	3,604	4,952
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$3,604	\$4,952
	FIXED ASSETS		
101	Utility Plant in Service	\$21,946	\$21,946
103	Property Held for Future Use		
105	Construction Work in Progress	1,104	6,413
108	Accumulated Depreciation – Utility Plant	(144)	(170)
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$22,906	\$28,189
	TOTAL ASSETS	\$26,510	\$33,141

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITES		
231	Accounts Payable	\$2,144	\$80
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits		
236	Accrued Taxes	421	231
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	151,063	157,902
	TOTAL CURRENT LIABILITIES	\$153,628	\$158,213
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction	4,500	4,500
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$4,500	\$4,500
	TOTAL LIABILITIES	\$158,128	\$162,713
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	(131,618)	(129,572)
218	Proprietary Capital (Sole Props and Partnerships)		
	TOTAL CAPITAL	\$(131,618)	\$(129,572)
	TOTAL LIABILITIES AND CAPITAL	\$26,510	\$33,141

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$39,648	\$2,173
460	Unmetered Water Revenue		
474	Other Water Revenues	116	16
	TOTAL REVENUES	\$39,764	\$2,189
	OPERATING EXPENSES		
601	Salaries and Wages	\$27,042	\$80
610	Purchased Water	100	
615	Purchased Power	3,096	
618	Chemicals	347	
620	Repairs and Maintenance	133,577	166
621	Office Supplies and Expense	20	
630	Outside Services	1,380	
635	Water Testing		
641	Rents		
650	Transportation Expenses		
657	Insurance – General Liability	16	
659	Insurance - Health and Life		
666	Regulatory Commission Expense – Rate Case		
675	Miscellaneous Expense	2,413	50
403	Depreciation Expense	144	26
408	Taxes Other Than Income	3,247	
408.11	Property Taxes		
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$171,382	\$322
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		179
427	Interest Expense		
	TOTAL OTHER INCOME/EXP	\$0	\$179
	NET INCOME/(LOSS)	\$(131,618)	\$2,046

COMPANY NAME—SABROSA WATER COMPANY

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	Not Applicable			
Amount Outstanding				
Date of Maturity				
Interest Rate				
Current Year Interest				
Current Year Principle				

Meter Deposit Balance at Test Year End \$0 _____

Meter Deposits Refunded During the Test Year \$0 _____

COMPANY NAME—SABROSA WATER COMPANY

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number	Pump Horsepower	Pump Yield (Gpm)	Casing Size (inches)	Meter Size (inches)
55-635812	1	8	12	1
55-527010	1.5	15	5	2
55-527012	5	37	5	2

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
Craftmark Water Hauling	N/A	0

TOTAL GALLONS PUMPED (NOT SOLD) THIS YEAR (thous.) = 298

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
1.5	2		3

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
22,500 gallons	1	10,000 gallons	2

STATISTICAL INFORMATION

Total number of customers 70

Total number of gallons sold 517 (thous) gallons

COMPANY NAME SABROSA WATER COMPANYYEAR ENDING 12/31/2001**INCOME TAXES**

For this reporting period, provide the following:

Federal Taxable Income Reported	(A)
Estimated or Actual Federal Tax Liability	(A)

State Taxable Income Reported	(B)
Estimated or Actual State Tax Liability	(B)

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	0
Amount of Gross-Up Tax Collected	
Total Grossed-Up Contributions/Advances	0

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE_____
DATEDan McCarthy
PRINTED NAMEPresident
TITLE

(A) Income taxes at the property level are estimated using statutory Federal and State rates. However, income taxes are paid at the corporate level using consolidated taxable income amounts.

(B) Information not available.

COMPANY NAME SABROSA WATER COMPANY YEAR ENDING 12/31/2001

**WATER AND SEWER
UTILITIES ONLY**

PROPERTY TAXES

Indicate the amount of actual property taxes paid during this reporting period (Calendar Year 2001)

\$ N/A

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled Checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain reasons below:

Sabrosa Water Company is not owned by, nor a subsidiary of, Citizens Communications Company.

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

VERIFICATION

STATE OF Louisiana

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) Orleans
NAME (OWNER OR OFFICIAL) TITLE Dan McCarthy, President
COMPANY NAME Sabrosa Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

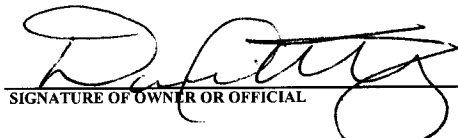
IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2002 WAS:

Arizona IntraState Gross Operating Revenues Only (\$)

\$ 2,326

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 137
IN SALES TAXES BILLED, OR COLLECTED

**REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)



SIGNATURE OF OWNER OR OFFICIAL

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

31st

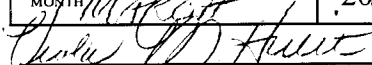
DAY OF

(SEAL)

MY COMMISSION EXPIRES

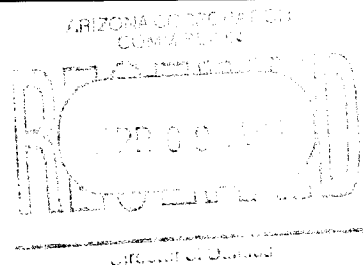
10/20/04

COUNTY NAME	CLARK WA
MONTH	MARCH 2003



SIGNATURE OF NOTARY PUBLIC

**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**



VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

(COUNTY NAME)	Orleans	
NAME (OWNER OR OFFICIAL)	Dan McCarthy	TITLE President
COMPANY NAME	Sabrosa Water Company	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2002

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

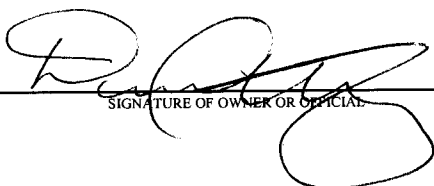
SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2002 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES
\$ 2,224

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 124
IN SALES TAXES BILLED, OR COLLECTED

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**

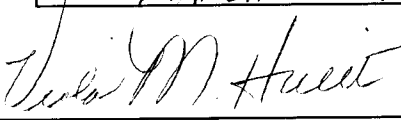
X 
SIGNATURE OF OWNER OR OFFICIAL

SUBSCRIBED AND SWORN TO BEFORE ME
A NOTARY PUBLIC IN AND FOR THE COUNTY OF
THIS 31st DAY OF

NOTARY PUBLIC NAME	Vivian M. Huet	
COUNTY NAME	CLARK, WA	
MONTH	MARCH	2003

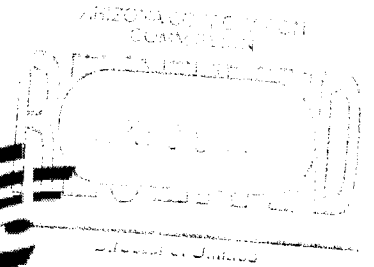
(SEAL)

MY COMMISSION EXPIRES 12/20/04

X 
SIGNATURE OF NOTARY PUBLIC

Citizens Communications – Public Services Division
1250 Poydras Street Suite 2300
New Orleans, LA 70113
504-299-4553

CITIZENS



April 1, 2003

ARIZONA CORPORATION COMMISSION
COMPLIANCE SECTION - UTILITIES DIVISION
1200 WEST WASHINGTON STREET – SUITE 206
PHOENIX, ARIZONA 85077

RE: 2002 UTILITY ANNUAL REPORT
CITIZENS COMMUNICATIONS COMPANY
SABROSA WATER COMPANY

Dear Sir:

Enclosed please find the original Utility Annual Report for Sabrosa Water Company, a division of Citizens Communications Company. This Annual Report is for the fiscal year ended December 31, 2001 and 2002 respectively.

If any additional information is needed, please do not hesitate to call me.

Very Truly Yours,

Jayson Ecuyer
Director of Finance
Citizens Communications Company
Public Service Sector

Enclosures